

# Why 'place' matters in the development and impacts of Fairtrade production

McEwan, C. , Hughes, A. , Bek, D. and Rosenberg, Z.

**Author post-print (accepted) deposited in CURVE March 2016**

**Original citation & hyperlink:**

McEwan, C. , Hughes, A. , Bek, D. and Rosenberg, Z. (2014) Why 'place' matters in the development and impacts of Fairtrade production. Food Chain, volume 4 (1)

<http://dx.doi.org/10.3362/2046-1887.2014.007>

DOI: 10.3362/2046-1887.2014.007

Publisher: Practical Action Publishing

**Copyright © and Moral Rights are retained by the author(s) and/ or other copyright owners. A copy can be downloaded for personal non-commercial research or study, without prior permission or charge. This item cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder(s). The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.**

**This document is the author's post-print version, incorporating any revisions agreed during the peer-review process. Some differences between the published version and this version may remain and you are advised to consult the published version if you wish to cite from it.**

## **Why ‘place’ matters in the development and impacts of Fairtrade production**

Cheryl McEwan, Professor of Human Geography, Department of Geography, Durham University ([cheryl.mcewan@durham.ac.uk](mailto:cheryl.mcewan@durham.ac.uk))

Alex Hughes, Reader in Economic Geography, School of Geography, Politics and Sociology, Newcastle University, ([alex.hughes@ncl.ac.uk](mailto:alex.hughes@ncl.ac.uk))

David Bek, Research Associate, School of Geography, Politics and Sociology, Newcastle University, ([david.bek@ncl.ac.uk](mailto:david.bek@ncl.ac.uk))

Zaitun Rosenberg, Independent Researcher/Trainer, Stellenbosch, Western Cape, South Africa ([zaitun.rosenberg@gmail.com](mailto:zaitun.rosenberg@gmail.com))

### **Abstract**

This paper examines the importance of place for the cultural and environmental dynamics shaping Fairtrade cooperatives. It draws on a case study of the Eksteenskuil Agricultural Cooperative (EAC) in South Africa’s Northern Cape, which supplies Fairtrade raisins to Traidcraft plc, one of the UK’s leading Fairtrade organizations. It examines how the histories and geographies of place continually challenge and re-define the meaning and effectiveness of Fairtrade. It concludes with a number of recommendations for both Fairtrade organisations in general and EAC/Traidcraft specifically.

Keywords: South Africa, Fairtrade, place, geography, history, Traidcraft

## Introduction

This paper challenges the ‘one size fits all’ discourse, which until recently has dominated Fairtrade, and advances arguments for sensitizing Fairtrade to the specificities of particular places. This approach focuses on historical legacies, political and cultural identities, the significance of geography, and environmental risk, which combine to drive the dynamics of producer groups and cooperatives as they cope with specific, local challenges.

The paper draws on a case study of the Eksteenskuil Agricultural Cooperative (EAC) in South Africa’s Northern Cape, which supplies raisins to Traidcraft plc, one of the UK’s leading Fairtrade organizations. It examines how the specificities of place continually challenge and re-define the meaning and effectiveness of Fairtrade. The South African context is particularly interesting owing to the ways in which national and local policies of empowerment inform and affect the workings of Fairtrade codes and standards. However, rather than allude to “South African exceptionalism” (Kruger and du Toit 2007: 213), we use this case to illustrate that *all* places have histories and geographies that need to be properly understood for Fairtrade to work effectively. The paper draws on research conducted between January 2010 and November 2012, which included three periods of fieldwork in Eksteenskuil and 72 interviews (mostly in Afrikaans and translated into English) with members and non-members of EAC. A further ten interviews were conducted with commercial, NGO and government informants in South Africa, and seven with Traidcraft staff in the UK. The paper first outlines the history of the relationship between Traidcraft and EAC, before demonstrating the significance of place history in gauging the challenges facing specific producer communities. The next two sections explore ~~geographical challenges, and~~ cultural and political challenges an geographical challenges facing EAC, before making some recommendations for both Fairtrade organisations in general and EAC/Traidcraft specifically.

## Traidcraft and EAC

Traidcraft plc. began sourcing raisins, used mainly in its popular cereal bars (the Geobar), from the Eksteenskuil Farmers Association (EFA) in 1995, which was FLO certified in 2003. The Eksteenskuil Agricultural Cooperative (EAC), comprising 89 farmers, replaced the EFA in 2007 in response to requirements of FLO requirement standards and as a means to strengthen the partnership between Traidcraft and Eksteenskuil producers. The shift in legal status to a cooperative was encouraged by Traidcraft because it fits with the concept of Fairtrade as a developmental model and was supported by EFA as a means by which it could consolidate member produce, sub-contract processing and market finished products (Traidcraft Visit Report, Eksteenskuil Farmers Association/SAD, 06/11/2006). The Northern Cape is one of South Africa’s most impoverished provinces and EAC members are considered historically disadvantaged. Eksteenskuil more broadly includes approximately 180 households and more than 1,200 people living across twenty-one islands, grouped for administrative purposes into three areas – North, Middle and South Islands (SLC 2010) (see Figure 1). The majority of residents self-define as ‘coloured’. While this is an expression of identity, its origins are in the apartheid-era race classification legislation, the legacies of

Formatted: Font: Not Bold

which still pervade official discourses and mindsets. As discussed below, this is one of the many factors that underpin EAC's complex external (and even internal) relationships. The current farming community of Eksteenskuil also includes several 'commercial' (defined as working more than fifty hectares) white farmers, landless labourers and, during harvesting, migrants workers.

[Figure 1 near here]

Of the 2,000 hectares of land in Eksteenskuil, 600 hectares are irrigation-fed arable farming. Raisins represent the main source of income, with lucerne, cotton and vegetables also grown. The Orange River area is ideal for growing seedless grapes because of its semi-arid climate, very high summer temperatures up to 40 degrees Celsius, warm winter days and cooler nights. Its farmers produce some of the highest quality raisins in the world, specifically Thompsons raisins (late harvest sun-dried grapes), Golden raisins (late harvest wind-dried grapes), OR Sultanas (early harvest wind-dried grapes) and WP Sultanas (early harvest sun-dried grapes). EAC sells the majority of its raisins (400-600 tonnes per year, mainly Thompsons) to Traidcraft. Cooperative members sell their raisins ~~main~~primarily through the dominant local processor, — South African Dried Fruits (SAD), which prior to the ending of apartheid held a monopoly on raisin exports and still has the second largest and the most modern fruit-processing plant in the world. The processors play a key role in the commodity chain since they grade the raisins delivered to them by EAC members as either Choice or Standard, which has an impact on price; they are also responsible for sorting and quality control, including pre-cleaning (removal of stalks, vacuuming, fumigation), washing and packing, quality inspection, and transporting, loading and shipping for export. —with whom Eksteenskuil farmers have had a relationship with SAD since the 1960s and, because it is now —which is now FLO-certified, it is the required processor for raisins supplied to Traidcraft. Despite this, sSome EAC members also sell to other processors (e.g. Red Sun) independently of the Cooperative if they believe they will receive quicker payments. However, because other processors are not FLO-certified, these sales cannot count as Fairtrade and, therefore, do not earn premium monies. ~~(This bind to a single FLO-certified processor, which has caused some tensions between EAC and Traidcraft, was resolved to some extent in 2013, with EAC contracting Red Sun to do the processing rather than selling raisins to them, thus ensuring the raisins remain Fairtrade.)~~

Formatted: Font: (Default) Times New Roman, 12 pt

The principle of stable pricing structures does little in practice to benefit EAC farmers because for several years the Fairtrade minimum price (usually around £0.45 per kg) has been significantly lower than the market price (recently £1.13 per kg for Thompsons seedless raisins) (SLC 2010). The key benefits of Fairtrade for EAC are, therefore, guaranteed access to markets via Traidcraft, a small price premium paid directly by SAD to farmers above the market price and the Fairtrade social premium. FLO stipulates that the social premium (£0.07 per kg), paid directly to the Cooperative based on sales through SAD, should be used for community development at the discretion of EAC's elected Board. To date, the premium has supported various projects, most significantly the purchase of farming equipment that can be hired at a minimal rental fee by members across the islands. However, despite these projects,

our research (see also SKA 2010) suggests that EAC underperforms as a cooperative, specifically in identifying developmental needs and the effective use of premium monies in meeting these needs, and that it faces challenges rooted, in part, in the history, geography and cultural politics of the area. Little was known about these contexts when Traidcraft began its relationship with Eksteenskuil farmers. Fairtrade alone, while delivering some tangible benefits as discussed, cannot remedy many of the entrenched difficulties that the farmers continue to endure. However, as well being reflected in impact assessments, we suggest that a deeper understanding of constraints rooted in historical, geographical and cultural specificities would help Traidcraft, and Fairtrade organisations more generally, develop more effective systems of support for cooperatives.

### **Fairtrade and place history**

Fairtrade production in South Africa has expanded rapidly since the ending of apartheid in 1994. Fairtrade organizations in the global North were keen to work with producer groups in post-apartheid South Africa, but often had little detailed knowledge or understanding of the histories and geographies of the communities with which they sought to work. One of the main challenges, and a consequence of the dispossession wrought under apartheid, was a relative dearth of smallholder communities from which to form cooperatives. Another challenge was the need to incorporate the more radical, but specific, South African understandings of 'fairness' into Fairtrade standards, including land reform and Black Economic Empowerment. While recent FLO initiatives have sought to adapt the Fairtrade standard to this South African context, this has mostly benefited the large number of plantations-commercial farms rather than the small group of cooperatives including EAC (see Kruger and du Toit, 2007; Hughes et al, forthcoming).

In contrast to smallholder communities elsewhere, Eksteenskuil was created via an apartheid-era resettlement scheme in accordance with the 1913 Land Act (Robins 2001). Eksteenskuil was an Act 9 area from which a small number of white farmers were relocated during the late-1950s to more productive areas elsewhere and into which coloured people were relocated. Most Eksteenskuil families have lived there for three or four generations and are attempting to sustain livelihoods on land previously deemed non-viable for agriculture because of the flood risk. Moreover, while the small number of white farmers had held large areas of land, coloured farmers were limited to one hectare per family with the consequence that the majority of EAC farmers now farm plots of land that are fewer than five hectares (SLC 2010). As discussed subsequently, environmental risk presents considerable difficulties for maintaining sustainable livelihoods and the history and geography of Eksteenskuil presents challenges in creating an effective cooperative.

One of the difficulties for Traidcraft in empowering Eksteenskuil's farmers is the limits of Fairtrade in tackling the legacies of apartheid inequalities. This is illustrated by the constraints posed by ~~issue~~ the difficulties of land reform. As an historically disadvantaged group, EAC members are eligible for support from the government's Land Reform for

Agricultural Development (LRAD) programme, which enables farmers to acquire land, and its land tenure reform programme, which enables farmers to obtain freehold titles for land owned (SLC 2010). However, only six farmers have been successful in obtaining LRAD grants to purchase land and less than half of EAC members have received title deeds (SKA 2010). Since FLO standards regarding land reform apply only to commercial estates with hired labour and not to cooperatives, Fairtrade does not play a role in alleviating this struggle.

### **Geographical challenges**

There are two specific sets of challenges posed by the geography of Eksteenskuil, which present difficulties in meeting Fairtrade objectives concerning sustainable livelihoods and empowerment. The first is the environmental risk faced by farmers. The Orange River is naturally prone to flooding and the frequency of catastrophic floods appears to be increasing (Knoesen et al. 2009). Situated on island braids in the river, Eksteenskuil is particularly at risk, yet this is not considered in Fairtrade impact assessments (e.g. SLC 2010; SKA 2010). 2011 witnessed the worst floods since 1988. The Orange River reached a height of more than seven meters, with discharge levels of over 6,000 cumecs in mid January and again in early February. The second of the two flood peaks arrived at harvest time with dramatic consequences. In some areas, whole fields were flooded, destroying vines completely or exposing their roots, thus increasing the risk of fungal root infections. Crucial infrastructure such as irrigation channels, electricity lines, dirt roads and bridges suffered damage, particularly on North Island (Middle Island's new paved road remained intact). There were also significant consequences for raisin yields and quality, with the supply of highest quality grade raisins by EAC farmers reduced by 50% to 200 tons. There are likely to be longer term consequences for reduced yields because of damage to large areas of vines. Furthermore, 20% of the crop was sold to Red Sun because some farmers believed this would speed up grading decisions and payments at a time when cash flow was under extreme pressure. This reduced the Fairtrade premium for the 2011 harvest. Flooding also created illness, principally because for many the river provides the only source of fresh water, but also because mobile clinics were unable to access the islands. In an area of high prevalence of diseases such as diabetes, failure to access medicines compounded existing illness.

Traidcraft is faced with the paradox of attempting to support sustainable livelihoods in an area considered non-viable for agriculture because of environmental risk and in which these risks are becoming more frequent. Total rainfall and frequency of extreme weather events are predicted to increase over the Orange River basin over the next thirty to forty years (Knoesen et al. 2009). In recent years, Traidcraft has needed to provide financial support to EAC farmers following damaging hailstorms (2002) and poor harvests (2005 and 2011). A further paradox, then, is that rather than empowering producers, some are at times heavily dependent on Traidcraft for sustaining their livelihoods. In addition, poor decisions were made by the previous EAC Board on the location of new vines, funded from premium monies, and levee maintenance. In some cases, new vines were planted adjacent to the river

~~or in areas where levees had not been maintained and were entirely destroyed by the floods (see Figure 2).~~

~~[Figure 2 near here]~~

~~—The environmental challenges faced by EAC are deepened further by the testing physical geography of Eksteenskuil. As the Supplier Support Coordinator at Traideraft describes:~~

~~“The islands themselves are, although they are very close in terms of distance, in terms of actually access[ing] and getting around they seem to be very, very distant and that distance means that there tends to be quite a small amount of collaboration between the different islands and there is a sense of, between different islands, a sense of exclusion or resentment towards the Cooperative, just simply because of distance” (Interview, December 2010).~~

~~The EAC Board has attempted to meet the challenges by having group leaders on each of the islands. A male farmer interviewed on South Island explains this role:~~

~~“I... was a group leader, a supervisor, for South Island for a couple of years. My duties were pretty much as a messenger. If any notifications came from the [EAC] office, then I would have to go door to door to inform people. I also used to check their fields and see how they farmed and give advice” (Interview, February 2011).~~

~~However, the Cooperative tends to rely on message boards and telephones as the key means of communication. The message boards are not particularly useful for a scattered community; only the better off farmers have landlines and, while many other farmers have access to mobile phones, they are very often unable to pay for airtime. Traideraft has supported the Women’s Forum, which attempts to bring together women from across Eksteenskuil, but geography again poses particular challenges:~~

~~“The distance is a problem. A multi purpose centre on South Island is the only gathering place, but it does not make sense always. They usually say they will start at 2pm. They pick me up at 1pm and then pick up the other people and they start at 3.30pm. It is dark, half past six, seven o’clock when we come back after a meeting that was supposed to happen at 2pm” (Interview female farmer, Middle Island, March 2011).~~

~~The meeting point has since been moved more centrally to the EAC office on Middle Island, but only at the suggestion of our project team, which points to some of the problems of agency within EAC. The physical landscape in which EAC operates clearly makes communication, inclusion and cohesion incredibly difficult, particularly between the EAC Board and farmers across the island groups, but also between members of the Cooperative more broadly.~~

## **Cultural and political challenges**

One of the difficulties for Traidcraft has been establishing an effective and representative cooperative in a context of a membership in which capacity and confidence are either low or, because of geographical fragmentation, are difficult to harness. A 2009 FLO audit, confirmed by our research, noted dependency of EAC on the leadership of one individual, who for several years was both Chair and General Manager (he was recently de-selected as Chair). In many ways, faith in the capacity of this individual, plus his force of personality, appear to have stultified the ability or willingness of other members to take EAC forward.

EAC's Board has seven members, led by an elected Chair, and it has representation from each of the three island groups. However, the FLO audit states that further work is needed on social and environmental development plans; according to Traidcraft:

“There is a big disconnect between what the Co-op is doing and what the farmers are doing ... I think its behaviours are distancing the membership. So in terms of becoming a co-op, it has to go out there and meet its members and actually begin that dialogue and start responding to its members' needs and actually start working to make sure that it functions as a co-op, that people are engaged with it” (Interview, Traidcraft Supplier Support team member, December 2010).

The new Chair appears to be aware of these issues. However, in contrast to other Fairtrade cooperatives both in and beyond South Africa, EAC has engaged with very few projects that constitute explicit forms of community development. A significant proportion of the social premium funds the administration of EAC. It has not provided funds for schools, youth facilities, health clinics or community events, which have been highlighted as community needs by EAC members in a recent report (SKA 2010). In part, this derives from EAC's preference to put money directly into programmes benefiting farmers economically, in particular the funding of training, providing rental equipment and loans for planting new vines. This highlights a broader tension within cooperatives between business and development goals. -(Burke 2010)-As Burke (2010) argues, while pursuing business goals might generate material benefits for producers, it does not necessarily reduce the vulnerability and dependency of some producers, promote participatory development, or ameliorate discriminatory distinctions amongst cooperative members. According to the current EAC Chair, however, underperformance also results from farmers misunderstanding the Cooperative:

“There is a need for training on how a cooperative works. It is almost a stigma that was carried from the old regime and that definitely needs to be changed with training, maybe focusing on the members and management to get rid of those stigmas and to see the benefits of being part of a co-op” (Interview, EAC Chair, Middle Island, February 2011).

This stigma arises from a specific historical context in which only white farmers were allowed to organize into cooperatives, which thus became part of the structures of apartheid domination (Ashton 2011). EAC members, like many producers in the global South, have



little understanding of Fairtrade generally (Getz and Shreck 2006; Kruger and du Toit 2007; Lyon 2006), but are also confused about the role and workings of the Cooperative that is intended to represent their interests.

~~The physical geography of Eksteenskuil's complex island landscape is acknowledged as presenting significant challenges for EAC in terms of its communications, activities and community development. In addition to these historical and cultural specificities that hamper the workings of the cooperative,~~ interviews also reveal impediments to community relations connected to the strong ways in which farmers and their families identify culturally with the particular island groups. The island groups of North, Middle and South present significant geographical anchors for the identities of farmers and their families, with Middle Island sitting at the administrative heart of Eksteenskuil (housing the EAC offices) and having relative wealth, status and improved infrastructure (including the area's only paved road) in comparison to the more remote and generally poorer North and South Islands. An EAC administrator captures the relative wealth of Middle Island and her sense of how this is viewed by other island groups:

"Every island has got a different issue. Normally the North Islanders always say Middle Island is the rich farmers. I came here and we had a little house, just with a sink and with bowls, but in 2009 we got electricity after many years, so I mean if the North Island people say that we are rich, it is nonsense." (Interview, EAC Co-ordinator, Middle Island, March 2011).

From South Island, however, differentials in material wealth and administrative power are seen to be firmly connected to the continuing concentration of development opportunities on Middle Island and a failure of the Cooperative to spread the benefits more widely:

"The paved road, things are happening on Middle Island, stuff is happening over there, nothing is happening on North Island. I'm not upset about the road, but it is about the unfairness of how work was delegated, as all the people working on that were from Middle Island. The story was that when they were restoring their roads, then people on South Island would receive benefits, but instead it all went to Middle Island people ... People from Middle Island are now working on the bridges. The same people from the road are helping out with the bridges. Because they are close to the [EAC] office, they can go to the office and sort out their CVs, get them typed. By the time the contractor comes to the different islands, you don't have CVs ready, but there is a pile of CVs available at the office from Middle Island" (Interview, female farmer, South Island, March 2011).

While there are clear socio-economic gaps and cultural tensions between Middle and South Islands, the problems experienced and perceived on North Island are arguably most acute. A recent report, for example, reveals that unemployment rates are highest on North Island at just below 50% (SKA 2010). In addition, while most housing across Eksteenskuil is modest, made predominantly of brick with iron roofs and mostly without electricity, "shack

dwellings” (SLC 2010). usually constructed out of reeds with corrugated iron roofs, appear more common on North Island. Gaps in material wealth are compounded by other issues. In particular, widespread alcohol problems (SKA 2010) are believed by interviewees to be most problematic on North Island, with consequences for farmer participation in the Cooperative:

“Some of the farmers are too irresponsible because of alcohol abuse. In meetings people make promises and say they will cooperate. But they leave the meetings and don’t follow up ... That’s why you cannot depend on a lot of the farmers. It [alcohol abuse] is especially prevalent on North Island. Each island has its own little culture. There’s a dark cloud hanging over North” (Interview, male farmer, North Island, September 2010).

Views about North Island moralities also affect the implement-hiring scheme. This began just before the EFA became a Cooperative, with the purchase of three tractors and a wide range of farming equipment available for minimal rental fees to members on all three islands. The scheme is widely used and the majority of interviewees regard it both as a crucial element of their farming and as the main benefit of membership of EAC. However, for some farmers there are inevitable problems with the logistics of sharing a limited range of equipment:

“The Co-op needs to be strict, not as lenient as in the past. The islands have their own little cultures. Everyone knows that people on Middle Island will take good care [of the implements], people on South Island will take good care, but people on North Island, forget it. *That* island. Things always come back broken” (male farmer, Middle Island, September 2010).

The tensions between island groups also flared during the 2011 floods, which had devastating consequences for EAC members (discussed in more detail subsequently). While the floods could not have been prevented, their severity could have been reduced by better planning, and EAC (and other organizations) was criticized by farmers, particularly on North and South Islands, for poor communication with them before, during and after the floods.

The more severe infrastructural, agricultural and social impacts of the floods were felt on North Island. For some of the larger farms, in particular those on Middle Island, the most significant problems were inaccessible areas of land, hiring seasonal labourers and a reduction in raisin quality. In some of these cases, households had alternative income sources – often from lucerne, cotton or fruit and vegetable production – to cushion the blow (interviews with Middle Island Farmers, March 2011). This contrasts with smaller farms in which whole families solely dependent on raisins were in many cases left with almost nothing and fighting for access to scarce resources. For landless and seasonal workers, the impacts of the floods on harvesting meant little or no work. Differences in flood damage impacts are also deepened by islanders’ perceptions of each other’s responses. While there were notable cases of farmers and landless workers helping each other, in particular with damage repairs

on North Island, the responses of particular island groups were sometimes called into question:

“The way a lot of people handle stress is to sit and wait and feel very miserable and almost disempowered. We had an EAC Board meeting last week and we received a letter from South Island stating that they will not be able to cover any of their loans with the Co-op due to the flood and poor harvest this year. That letter already says ‘I am helpless, I cannot do anything about this situation’ instead of planning and thinking ahead and doing something and finding means to pay off your loan” (Interview, Middle Island farmer and EAC Board member, March 2011).

Tensions also emerged during an emergency meeting with the Department of Agriculture in March 2011 to conduct a survey of flood damage. Many North Islanders questioned the attendance of Middle Islanders, whom they felt had suffered far less destruction. Therefore, while EAC works to improve the livelihoods of its members against the backdrop of environmental challenges, as well as apartheid and colonial legacies, it does so in the context of a geographically and socio-economically divided Eksteenskuil community.

Compounding these problems, a significant weakness in the *modus operandi* of EAC, at least under the previous General Manager, has been its negligible and ineffective relationships with external stakeholders. Interviews with the broader Eksteenskuil agricultural community and government officials (including Local Economic Development and Agricultural Extension Officers) reveal that opportunities to enhance raisin production or to diversify have been missed because of an inability to develop positive relationships with people in other organisations. This can be partly linked to the re-organisation of local government. In the past there was a branch of local government in Eksteenskuil (based at the current EAC office). However, following the creation of the Kai !Garib District the office was closed and all affairs are now managed via offices in Keimoes. Several respondents alluded to personality clashes at the individual level, but geographical isolation and lack of political visibility have also been significant. Factors that are deeply rooted in the history and culture of Eksteenskuil, such as the inward-looking attitudes of EAC Board members and paid officers and a sense of disconnection from the formal political system have continued to create difficulties for EAC in its relations with external stakeholders. The result has been that EAC has not engaged effectively with the municipality, local ‘commercial’ farmers groups, or the Department of Agriculture. Meanwhile, external stakeholders expect EAC to deliver beyond its remit. As one Northern Cape Municipality officer puts it:

“If you look at Eksteenskuil compared to other communities... we say is it really necessary for us to go and work there and there are other communities who are so unorganised?” (Interview, Agricultural Extension Officer, March 2011)

There appears to be a sense, stated by several government officials, that because EAC exists the local community can be left to look after themselves.

### **Geographical challenges**

There are two specific sets of challenges posed by the geography of Eksteenskuil, which present difficulties in meeting Fairtrade objectives concerning sustainable livelihoods and empowerment. The first is the environmental risk faced by farmers. South Africa is the world's second largest producer of raisins, with 70% grown in the Orange River area. The Orange River is naturally prone to flooding and the frequency of catastrophic floods appears to be increasing (Knoesen et al. 2009). Situated on island braids in the river, Eksteenskuil is particularly at risk, yet this is not considered in Fairtrade impact assessments (e.g. SLC 2010; SKA 2010). 2011 witnessed the worst floods since 1988. The Orange River reached a height of more than seven meters, with discharge levels of over 6,000 cubic metres per second in mid-January and again in early February. The second of the two flood peaks arrived at harvest time for Thompsons raisins with dramatic consequences. In some areas, whole fields were flooded, destroying vines completely or exposing their roots, thus increasing the risk of fungal root infections. Crucial infrastructure such as irrigation channels, electricity lines, dirt roads and bridges suffered damage, particularly on North Island (Middle Island's new paved road remained intact). There were also significant consequences for raisin yields and quality, with the supply of highest quality grade raisins by EAC farmers reduced by 50% to 200 tons. There are likely to be longer-term consequences for reduced yields because of damage to large areas of vines. Furthermore, 20% of the crop was sold to Red Sun because some farmers believed this would speed up grading decisions and payments at a time when cash flow was under extreme pressure. This reduced the Fairtrade premium for the 2011 harvest. Flooding also created illness, principally because for many the river provides the only source of fresh water, but also because mobile clinics were unable to access the islands. In an area of high prevalence of diseases such as diabetes, failure to access medicines compounded existing illness.

Traidcraft is faced with the paradox of attempting to support sustainable livelihoods in an area considered non-viable for agriculture because of environmental risk and in which these risks are becoming more frequent. Total rainfall and frequency of extreme weather events are predicted to increase over the Orange River basin over the next thirty to forty years (Knoesen et al. 2009). In recent years, Traidcraft has needed to provide financial support to EAC farmers following damaging hailstorms (2002) and poor harvests (2005 and 2011). A further paradox, then, is that rather than empowering producers, some are at times heavily dependent on Traidcraft for sustaining their livelihoods. In addition, poor decisions were made by the previous EAC Board on the location of new vines, funded from premium monies, and levee maintenance. In some cases, new vines were planted adjacent to the river or in areas where levees had not been maintained and were entirely destroyed by the floods (see Figure 2).

**[Figure 2 near here]**

The environmental challenges faced by EAC are deepened further by the testing physical geography of Eksteenskuil. As the Supplier Support Coordinator at Traidcraft describes:

“The islands themselves are, although they are very close in terms of distance, in terms of actually access[ing] and getting around they seem to be very, very distant and that distance means that there tends to be quite a small amount of collaboration between the different islands and there is a sense of, between different islands, a sense of exclusion or resentment towards the Cooperative, just simply because of distance” (Interview, December 2010).

The EAC Board has attempted to meet the challenges by having group leaders on each of the islands. A male farmer interviewed on South Island explains this role:

“I... was a group leader, a supervisor, for South Island for a couple of years. My duties were pretty much as a messenger. If any notifications came from the [EAC] office, then I would have to go door-to-door to inform people. I also used to check their fields and see how they farmed and give advice” (Interview, February 2011).

However, the Cooperative tends to rely on message boards and telephones as the key means of communication. The message boards are not particularly useful for a scattered community, only the better off farmers have landlines and, while many other farmers have access to mobile phones, they are very often unable to pay for airtime.

The geography of Eksteenskuil poses challenges to establishing participatory organizations that might more effectively identify and respond to community needs. For example, the EFA used to have a Women’s Association that ran projects aimed at diversifying income streams, such as fruit gardens. However, this was discontinued because of logistical problems of bring women together from across the three islands. Yet 14% of EAC’s membership is women and, following a needs assessment report that recommended reviving a women’s association (SKA 2010), Traidcraft has supported a new Women’s Forum. This attempts to bring together women from across Eksteenskuil to set up new projects and to provide business and administration training for EAC members and participants in the various projects, but geography again poses particular challenges:

“The distance is a problem. A multi-purpose centre on South Island is the only gathering place, but it does not make sense always. They usually say they will start at 2pm. They pick me up at 1pm and then pick up the other people and they start at 3.30pm. It is dark, half past six, seven o’clock when we come back after a meeting that was supposed to happen at 2pm” (Interview female farmer, Middle Island, March 2011).

The meeting point has since been moved more centrally to the EAC office on Middle Island, but only at the suggestion of our project team, which points to some of the problems of agency within EAC. The physical landscape in which EAC operates clearly makes

communication, inclusion and cohesion incredibly difficult, particularly between the EAC Board and farmers across the island groups, but also between members of the Cooperative more broadly.

Formatted: English (Australia)

## Key recommendations

EAC faces continuing challenges regarding environmental risk and the need to foster community development along FLO lines in a locality where community cohesion is problematic. In this sense, EAC experiences similar difficulties of widening Fairtrade participation and engagement to those faced by many cooperatives around the world (Dolan 2010ab; Lyon 2006). The picture is not entirely bleak, however, and to make progress Traidcraft and the EAC Board might look towards building on some of the more positive elements of community life in Eksteenskuil. For example, there is evidence of friendship and support networks extending beyond island groups, revealed ~~recently~~ during the recent floods. For some interviewees, such networks provided a source of emotional support at challenging times. For the vast majority (97% belong to a congregation (SKA 2010)), the church provides an important locus for this kind of support and could be used to better develop lines of communication between the EAC Board and its members. The Women's Forum, while achieving limited success and requiring attention from EAC and Traidcraft to improve participation, operates in a similar way to channel communication and foster support. As one Middle Island woman recounts in reference to the floods:

"I'm aware of how bridges collapsed on North Island and people not getting their raisins across the bridges. Even on South Island people could not get to the multi-purpose centre due to damage to bridges ... The women [of the Women's Forum] actually contacted each other by phone and they informed each other. It was a good way, you are informed about their situation and you can relate to it. The conversations were good" (Interview, March 2011).

Such informal, inter-island networks provide an instructive model for EAC, which was accused of falling short in terms of maintaining contact with farmers at the time of the floods. Some interviewees suggest that EAC ought to decentralize to an extent and build sub-groups on each island, providing a mechanism for communication between the Board and members.

In the aftermath of the floods and in response to FLO requirements regarding environmental development plans, it is clear that EAC needs to work towards developing a disaster management plan. When asked whether they would be willing to support such an initiative for EAC, the Regional Coordinator for Fairtrade Southern Africa replied:

"Yes, of course... We want resilient systems, as disasters will happen. We can say that in our future planning that we need to put these things in. We are trying to work more with [Fairtrade assessors/trainers] to share ideas and platforms" (Interview, February 2011).

In addition, North and South Islanders expressing frustration with the continuing concentration of development opportunities on Middle Island also explain that there are many people on more remote islands with skills, training and enthusiasm that could be applied to infrastructure projects and office tasks like book-keeping (interviews, August 2010 and March 2011). EAC could better harness these skills to develop greater attentiveness towards the challenges faced by farmers located in more remote areas of Eksteenskuil, and a communication system to increase their involvement. This attentiveness needs also to extend to the needs of Eksteenskuil's landless labourers, who are often marginalized by Fairtrade's emphasis on the smallholder farmer. However, there is also a case to be made that too much is expected of EAC, primarily because of the detached relationship with municipal government. EAC clearly cannot be expected to deliver the development needs of the entire Eksteenskuil area, but requires better relationships with external stakeholders, particularly various spheres of government.

Traidcraft has been limited in terms of its resources in fostering these relationships and their broader context. The Department of Agriculture has long been involved in development initiatives in Eksteenskuil; it was thus remarkable that one official had not heard of Traidcraft (Interview, Department of Agriculture, March 2011). While resource constraints are difficult to surmount, better knowledge of the policy context and networks in which EAC is inserted, and the funding and extension opportunities that emerge from these, might allow Traidcraft to make a tangible contribution to the long term development of Eksteenskuil. Such institutional mapping exercises could be useful tools within the broader Fairtrade movement, both for Co-ops and external agencies such as Traidcraft.

Traidcraft might also see better returns on its engagement with more strategic planning and engagement. Encouraging EAC to form a stakeholder forum would deal with some of the issues discussed here. EAC itself could also have been more pro-active in this regard. A collaborative relationship with commercial farmers' groups, such as the Keimoes Farmers' and Orange River Associations, for example, would have enabled Co-op members to receive regular flood related updates and to report damage in 2011 (Interview, Grape Manager at Keimoes export company and member of commercial Farmers' Association, December 2011). Thus, EAC's inward looking mindset, in part fuelled by mutual distrust between marginalised (largely coloured) and commercial (largely white) farmers, has reinforced the problems caused by their very real geographic isolation. A stakeholder forum might encourage a more outward-looking perspective that would reap economic dividends.

Finally, Fairtrade and other organisations might take a broader view of local economies. In the case of EAC, the narrow Fairtrade product focus is restrictive and increases the vulnerability of members to risk. Encouraging more diverse income streams is clearly a sensible option, and one to which Traidcraft has been amenable, for example through its encouragement of the Women's Forum in establishing small-scale fruit production. Along these lines, more could be done to encourage EAC members to develop the tourism potential of the islands, for example. While the landscape and cultural history create challenges for farmers, they also create potential to attract visitors to a growing tourist destination in South



Africa. And while it is not Traidcraft's remit to capacity-build in tourism, it could encourage better engagement between EAC and regional stakeholders in ways that might foster diversification. Unlike similar Fairtrade ventures, such as Thandi Wines in the Western Cape, the tourism potential of EAC has not been considered, not least because the 'Eksteenskuil/Traidcraft Story' remains untold. Surprisingly, not even members of the EAC Board are aware that Eksteenskuil was the world's first Fairtrade raisin producer, or that there may be something of interest in this to visitors to the region.

## Conclusion

It is fair to say that EAC has thus far struggled to fulfil its potential and that there is room for further community development and social transformation. In many ways the geography of Eksteenskuil is quite extraordinary. Farmers are prone to a series of hazards, particularly summer hailstorms and floods that regularly threaten their productivity. Their capacity to manage these hazards is severely reduced by the broader political-economic history, which has left many farmers with small, fragmented plots of land and no title deeds. Furthermore, a history of dispossession, discrimination and disenfranchisement is a challenging context from which to build a confident community able to engage successfully with regional and international markets. Indeed, the notion of community, which is central to Fairtrade discourse, has to be challenged in this context as Eksteenskuil is more typified by divisions than a sense of collective endeavour. These divisions can be delineated in various ways, but are linked to the fact that Eksteenskuil was created by a relocation policy that brought together people from different places and backgrounds. Furthermore, the geography of the islands and the challenges this poses for communication and infrastructure development serve to deepen the sense of a lack of community.

For the past 18 months EAC has been at a crossroads. Changes in management and outlook have occurred putting the organisation in a better place to move forward. However, the Board and its staff face serious challenges including: a drop in demand from Traidcraft and difficulties in accessing markets for Fairtrade raisins elsewhere; variable yields, which make it difficult to secure long-term market contracts; reduced Fairtrade premium income and resources to deliver EAC's administrative roles; the heavy reliance on the voluntary efforts of Board members; clarifying EAC's precise role, which is currently ambiguous in the eyes of many members; improving the organisation's reputation as a project partner; inculcating a sense of what it means to be a cooperative amongst the membership. On the positive side there is evidence that EAC's management has found new energy and vigour. There are participatory and social challenges for EAC in a context of chronic poverty, environmental risk, and a spatially fractured and culturally complex community. While Fairtrade has helped to provide a stable market for EAC members, it operates within a community already disadvantaged by both the legacies of apartheid and geography. In both Eksteenskuil and beyond, a deeper understanding of place – environmental risk (which climate change is increasing across the global South), the constraints and challenges of



geography, and local identities and cultures rooted in specific histories – is critical to unraveling not only the impediments to community development, but also the possibilities.

### Acknowledgements

The EAC case study is part of a wider research project entitled “Ethical production in South Africa: Advancing a cultural economy approach.” We are grateful to the Leverhulme Trust (F/00128/BE) for funding this research. The funding source had no involvement in the study design, the collection, analysis and interpretation of data, preparation of the article, writing the report, or in the decision to submit the article for publication. We would like to express our thanks to the participants in the research, especially to the staff at Traidcraft and members of the EAC Board, without whom the research would have been impossible. We thank also the many people involved in raisin production in Eksteenskuil who gave freely of their time. We are grateful to two anonymous referees for their constructive and helpful comments on the paper.

Formatted: Justified

(to follow)

Formatted: Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers

### References

- Ashton, Glenn (2011) ‘Co-operatives for development: should South Africa get into co-ops?’ <http://sacsis.org.za/site/article/608.1> [accessed 24/07/13].
- Burke, Brian (2010) ‘Cooperatives for ‘fair globalization’? Indigenous people, cooperatives, and corporate social responsibility’, *Latin American Perspectives* 37: 30-52.
- Dolan, Catherine (2010a) ‘Virtual moralities: the mainstreaming of Fairtrade in Kenya tea fields’, *Geoforum* 41: 33-43.
- Dolan, Catherine (2010b) ‘Fractured ties: the business of development in Kenyan fair trade tea’. In Lyon, Sarah and Moberg, Mark (Eds.) *Fair Trade and Social Justice: Global Ethnographies*, New York: New York University Press, 147-175.
- Getz, Christy, and Shreck, Aimee (2006), ‘What organic and Fair Trade labels do not tell us: towards a place-based understanding of certification’, *International Journal of Consumer Studies* 30: 490-501.
- Hughes, Alex, McEwan, Cheryl, Bek, David and Rosenberg, Zaitun (forthcoming) ‘Embedding Fairtrade in South Africa: Global Production Networks, National Initiatives and Localized Challenges in the Northern Cape’, *Competition and Change*
- Knoesen, Darryn et al. (2009) ‘Water for the Future: Impacts of Climate Change for Water Resources on the Orange-Senqu River Basin’, Report to NeWater, Institute of Natural Resources, Pietermaritzburg.

Kruger, Sandra, and du Toit, Andries (2007) 'Reconstructing fairness: fair trade conventions and worker empowerment in South African horticulture'. In Raynolds, Laura, Murray, Douglas and Wilkinson, John (Eds.) *Fair Trade: The Challenges of Transforming Globalization*, London: Routledge, 200-219.

Lyon, Sarah (2006) 'Evaluating fair trade consumption: politics, defetishization and producer participation', *International Journal of Consumer Studies* 30: 452-464.

Robins, Steven (2001) 'NGOs, 'Bushmen' and double vision: the #khomani San land claim and the cultural politics of 'community' and 'development' in the Kalahari', *Journal of Southern African Studies* 27: 833-53.

SKA - Sandra Kruger & Associates (2010) *Eksteenskuil Agricultural Cooperative Land Use and Socio-Economic Survey*. Report compiled for SKA/Traidcraft, January 2010.

SLC - Sustainable Livelihood Consultants (2010) *Impact Assessment of Fairtrade in South Africa: Case Study Report, Eksteenskuil Agricultural Cooperative*, 11<sup>th</sup> June 2010.